
PART I: STUDY AREA OVERVIEW

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Sector Studies examine existing conditions, issues and development opportunities in areas of the city with large quantities of undeveloped land. The purpose of focusing on these areas is to create a framework for discussion of:

- 1) The development potential of particular areas within the city;
- 2) Citywide and regional priorities relative to needs and opportunities in the area, mainly as they relate to infrastructure, mobility and environmental problems as well as redevelopment; and
- 3) Coordination of regional and city functional plans relative to capital programming in order to leverage public and private investments and affect future development.

Identifying issues and potential for development in selected areas of Houston helps public policies take shape. They may serve as an instrument for coordinating local CIP decisions and leveraging investments made by the city, other agencies and private and nonprofit organizations. By helping to define areas of intervention, sector planning can be an effective tool for:

- Increasing the tax base by attracting population to underdeveloped areas or areas ripe for of the city that otherwise would settle in jurisdictions outside the city limits;
- Increasing densities in underdeveloped areas, therefore decreasing the cost of providing infrastructure;
- Encouraging jobs and training centers; and
- Promoting easy access to jobs, thereby reducing automobile miles traveled and cutting pollution levels.

An important part of this planning process will be the establishment of a coalition of stakeholders made up of both the public and private sectors, including residents, property owners and the business community. This coalition would be charged with

developing revitalization strategies, identifying priorities, and leading implementation efforts. Targeted infrastructure investments by the City of Houston could act as a catalyst for implementation by attracting development that otherwise might locate elsewhere in the city or county. Supplemented by economic incentives and funding for brownfields remediation, these investments could lead to greater density in southern Houston, reducing the need for residents to travel great distances for jobs, services, and recreation, and expanding the city's tax base.

Approach

In spite of unprecedented growth in Houston's suburbs including Fort Bend and Brazoria Counties, over 17,800 acres within the city's eastern boundaries remain largely undeveloped and more acreage is ripe for redevelopment. To determine the development/redevelopment potential for this area, the Planning and Development Department conducted a detailed analysis of Houston's southern areas. The analysis consisted of an assessment of existing conditions, development potential and opportunities and the benefit that investment in the study area might realize for the city as a whole.

The Eastern Houston Sector Study consists of several parts:

- Part I presents an overview of the major elements of the study;
- Part II provides a detailed snapshot of current conditions in Eastern Houston by examining existing conditions, future trends and issues. It proposes a set of recommendations for establishing an attractive climate for development in the study area, and for preserving viable existing, residential and commercial uses; and
- Part III examines the potential for development/redevelopment in two selected 'micro-areas', the increase in city tax revenues that might result from such development, and the cost of implementing infrastructure improvements that could encourage new development.

The population and employment projections, tax revenue projections, and infrastructure costs presented in the third part are general and merely

a starting point for further discussion and analysis. Detailed information on Eastern Houston Sector, the methodology and data on the final cost/revenue analysis are provided in the Appendices.

The Study Area Boundaries and Methodology

The study area is bound on the south by I-45 south; on the west by US 59; on the north and east by the Houston City limits. The area is heavily industrialized especially around the Port of Houston where a high concentration of petrochemical industries is located. The study area also includes several historic communities such as Second Ward, Fifth Ward, Harrisburg and Pleasantville.

The major thoroughfares serving the study area include I-45 south of Downtown, 610 Loop east, SH 225, I-10 east, US 90, US 59 north, Broadway Boulevard, Harrisburg, Clinton Drive, Lockwood, Homestead Road, Ley Road, Market Street and Wayside.

The Eastern Houston Sector existing conditions and trends analysis were conducted over several months by collecting and examining land use, demographic, economic, infrastructure, environmental, and community data. Geographic Information System (GIS) was used to analyze and map land use data. Data sources included Census 2000, Harris County Appraisal District data, Houston-Galveston Area Council population and employment projections and current City and community plans.

Key Characteristics

The eastern sector covers 71.3 square miles or 45,603 acres of land (11.3 percent of the City of Houston). Industrial land covers 17 percent, and vacant and undeveloped land is a little higher at 32 percent. Between 1990 and 2000, the area experienced a dramatic increase in Hispanic population (66.9 percent) and a 41.5 percent decrease in White population.

The Eastern Sector has 12 parcels of undeveloped land with more than 100 acres. The section of the Eastern Sector north of I-10 has a rural feel with large tracts of undeveloped and underdeveloped land

amid primarily single-family residential land uses. The area to the south provides a more balanced land use mix with bigger tracks of undeveloped and underdeveloped land primarily along industrial or commercial uses.

The Eastern Sector is also largely known for its high concentration of industrial land along the Houston Ship Channel.

Issues

Major issues affecting the stability and development potentials for the Eastern Sector include the following: 1) deterioration of neighborhoods and coexistence of heavy industries, 2) evidence of unattractive and rural image, 3) drainage and flooding problems, 4) environmental issues, and 5) evidence of aging or inadequate infrastructure and rail safety.

1. Deterioration of neighborhoods and coexistence with heavy industries

The coexistence of heavy industries and neighborhoods creates a safety problem and hampers development. Industries create jobs to sustain the area's economy but at the same time they create pollution. To spur development and improve industrial safety, the City needs to create transition areas between residential and industrial land uses by encouraging areas of appropriate mixed uses such as commercial/office and industrial/commercial.

2. Evidence of Unattractive and Rural Image

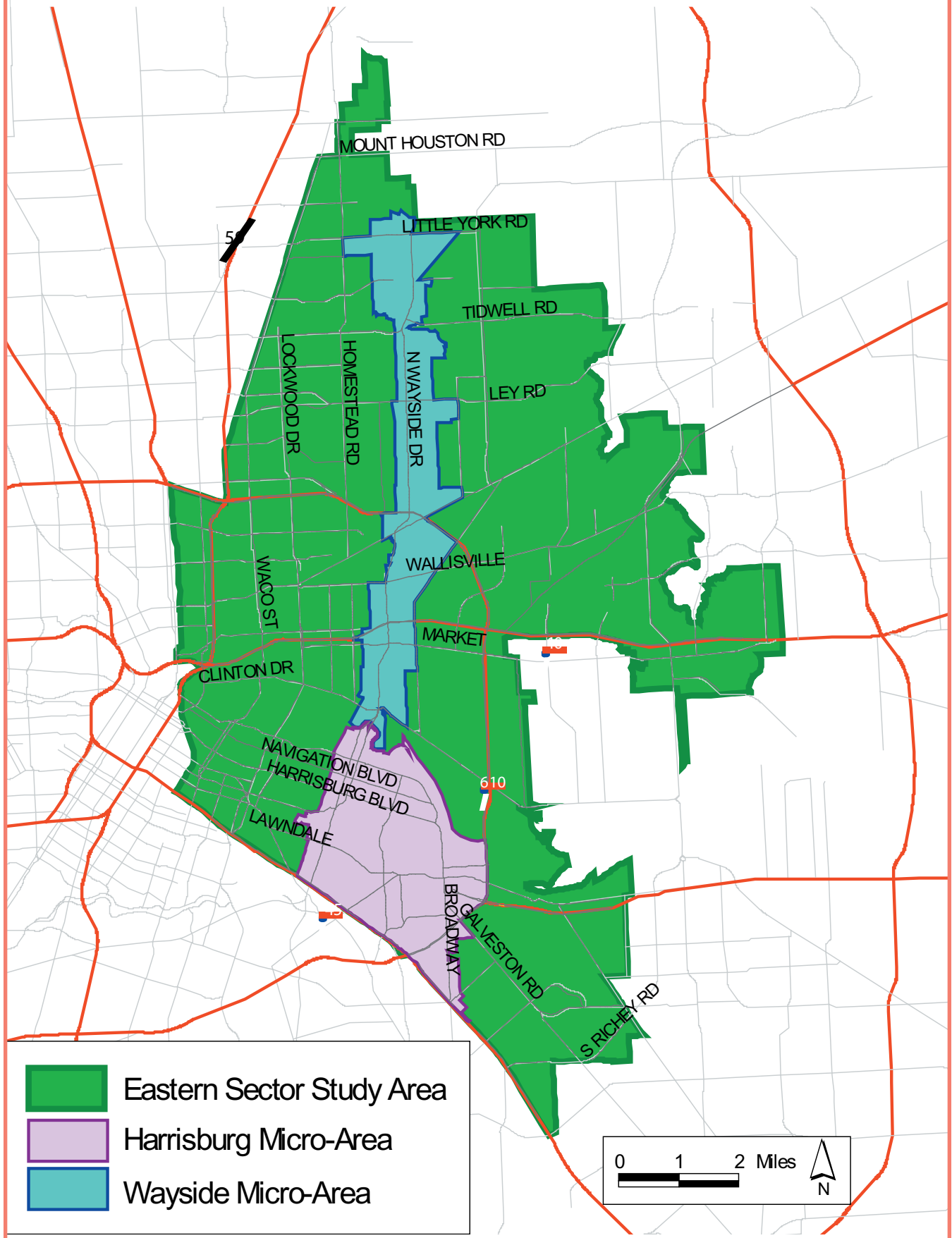
Most of the Eastern Sector especially to the north and along the city limits is rural and poor.

The area has numerous pockets of developable land infill. The City could improve the image by encouraging affordable housing in the proposed development mix. This effort could also be achieved through the Land Assemblage Redevelopment Authority (LARA) program the City recently implemented and through a program that would offer incentives to neighborhood industries to relocate to industrial parks with freeway access.

3. Drainage and Flooding Problem

The Buffalo Bayou, the Greens Bayou, and several other small bayous drain the Eastern Sector. These drainage corridors provide an excellent opportunity to develop parks that would enhance the quality of life within the Eastern Sector community and

Map 2: Eastern Sector Study and Micro-Areas



Source: COHGIS

the City at large. Although the Buffalo Bayou Plan already addresses some park and drainage issues, the introduction of similar plans along the other bayous would provide added aesthetics that attract development and improve the quality of life.

4. Environmental issues

The Eastern Sector has the highest concentration of petrochemical industries in the entire city. While these industries create jobs to sustain the area economy. Their existence may pose a safety concern for the area.

The area also has two inactive landfills and significant amount of industrial sludge and brownfields. These are developable lands that can be cleaned and converted into economic use. The City should promote conversion of inactive landfills to golf courses. Areas with golf courses serve as magnet for high value development and enhancement to the community quality of life.

5. Evidence of Aging or inadequate Infrastructure to Meet Growth, Mobility and Safety Needs

Several rail, road and water infrastructure crisscross the Eastern Sector. Some of this infrastructure is outdated and would not meet future growth needs of the area. Some rail crossings need effective signaling or grade-separation to improve safety. Some thoroughfares need to be designated as truck routes to reduce fast deterioration of local roads and impact on the community. Major Thoroughfares such as Clinton Drive, Liberty Road, Harrisburg, Wayside, Navigation, Lyons Street, 610 Loop, I-10 W., US 90, Maxey Road and Market Street are used heavily by truck traffic to and from the port. Such a designation would improve general mobility, traffic safety and minimize traffic gridlock.

The area has a number of positive attributes that provide a significant opportunity for economic development; however, without a long-range strategy to guide economic development over the next 10 to 20 years, the opportunity to affect change may be lost. A comprehensive, long-range strategy for addressing future growth and development as well as for addressing existing environmental and other problems, which are creating or exacerbating blight and deterioration, is needed. Such a strategy must consider regional and local priorities.

Growth and Development Potential – Cost/Revenue Analysis

To better illustrate the growth potential in Eastern Houston, population, employment and cost/revenue projections were developed for two micro-areas, Harrisburg to the south and Wayside to the north for a 25-year period. The selected micro-areas have unique and varied characteristics that could spur future development potentials. Development potentials in Wayside are associated with large parcels of vacant land while those along Harrisburg are associated with numerous parcels of land infill.

Approach and Methodology

Scenario 1 in both micro-areas study assumes population and employment growth will be moderate or continue according to predicted studies by the Houston-Galveston Area Council (H-GAC). H-GAC estimates used were developed using Traffic Analysis Zones (TAZ). Because the TAZs do not correspond with the micro-area boundaries, an average of TAZs that are substantially represented in the micro-area was used to determine the growth rates. The outcome growth rate was converted into a yearly rate for population and employment.

Scenario 2 assumes that a substantial intervention will occur to alter development patterns in the micro-areas. The calculations also assume a constant growth applied yearly over the 25-year period. The method for calculating growth rates in each micro-area is different and outlined in a separate section of this report.

The following steps were taken to project population and employment growth, tax revenues and infrastructure costs for each scenario (see Appendix B for greater detail).

1. Quantification of “developable land” in each micro-area, which is defined for this analysis as vacant land. Land development will not necessarily continue in the same proportion of uses as currently exists. For example, in the Harrisburg Micro-Area, the transportation and utilities grid are largely complete and therefore future development is not anticipated to show a significant increase.

2. Estimation of maximum buildout by calculating potential building square footage on available land at prevailing densities, then converting that building square footage to population and employment.
3. Estimation of potential increment of dwelling units and non-residential building square footage in each micro-area over a 25-year time period. For Scenario 1, estimates were based on 2020 TAZ population and employment projections, which were then converted into units and building square footage using current land-use distribution. For Scenario 2, projections were based on population and employment estimates derived from a higher rate of growth. Higher growth rates were determined by comparing micro-area growth with county growth, and by considering regional growth share. These figures were then converted into units and building square footage using an assumed land-use distribution scenario as described in the appendix.
4. Calculation of tax revenues for the City of Houston resulting from new development for Scenarios 1 and 2. Tax revenues included property, sales, and hotel tax. This was conducted only for Scenario 2.
5. Calculation of the cost for the city to provide the needed infrastructure to fill the gaps of existing water, wastewater and storm water facilities and road networks in the growth areas.

Using the approach described above, the following projections were made:

- Growth potential of the two micro-areas based on 1) past trends, 2) strong public and private intervention, and 3) the comparison of the two scenarios;
- Tax revenue that would accrue from new development in the two scenarios; and
- General infrastructure investment costs for Scenario 2, comprised of cost to implement roads, water, and wastewater lines beyond what are already being implemented or planned.

Findings

1. Population Growth

The Wayside Micro-Area shows a population increase of 22% for moderate growth and 79% for

aggressive growth by 2025. Our projections also show an aggressive growth of 74% in the Harrisburg Micro-Area for the same period. For details on the methodology for these calculations and estimates, see Appendix B.

2. Employment Growth

The Harrisburg Micro-Area will show growth of 33% and a significant increase of 41% by 2025. Although Wayside shows a moderate growth of 59%, the aggressive growth only shows a slight growth of 63% by 2025.

3. Fiscal Impact

Potential cumulative tax revenues for Scenario 2 of Wayside Micro-Area will yield over 94 million dollars. This would amount to a gain of over 25 million dollars. Cumulative tax revenues for Scenario 2 of Harrisburg Micro-Area will yield over 11 million dollars more than with moderate growth. The degree of difference between the two scenarios results from multiple factors including land use. Details are illustrated in Appendix C, Revenue Analysis.

4. Costs

Infrastructure costs for each micro-area vary according to percent built out status of existing infrastructure. The most significant infrastructure cost will involve the widening of Little York from US 59 to Wayside. Infrastructure costs associated with the Harrisburg Micro-Area will involve primarily upgrading water and wastewater needs. Cost estimates for each area were based on estimates from the City of Houston, Department of Public Works and Engineering.

Conclusions and Recommendations

Setting citywide and regional priorities is an essential strategy for achieving growth in the area. The CIP could be an important tool for establishing these priorities and for implementing planning actions that will change the development climate in this area. Integrating an area-wide plan based on community consensus with capital improvement programming could greatly benefit the process of setting priorities, coordinating capital investments and leveraging existing investments for greater impact. In addition,

several regional and citywide plans, including the Major Thoroughfare and Freeway Plan, the Harris County Flood Control District watershed plans, Harris-Galveston Coastal Subsidence District Plan, Metro's South Corridor Study and long and short term State transportation plans could be used to determine priorities and coordinate plans and actions.

The broad area-wide plan would be a framework for decision-making that would include a set of recommendations for its implementation. These recommendations would address issues of development/redevelopment, accessibility and infrastructure, environmental constraints, neighborhood conservation and improvement and commercial corridor development. Achieving public consensus on goals and objectives for development will be an essential component of the planning process.

Opportunities for new development or redevelopment in the Eastern Sector already exist. The following actions can build on these opportunities.

- Create transition areas between residential and industrial land uses by encouraging areas of appropriate mixed uses such as commercial/office and industrial/commercial.
- Encourage mixed development (residential/commercial) along Harrisburg. Such development along this corridor would provide the appropriate/desired development mix needed to implement The Buffalo Bayou Plan and the Metro Solutions Plan.
- Include affordable housing in the proposed development mix. The area has numerous pockets of developable land available for infill. This effort could be achieved through the Land Assembly Redevelopment Authority recently created by the City and through a program that would offer incentives to neighborhood industries to relocate to industrial parks with freeway access.
- Encourage residential development on large parcels of undeveloped land northeast of Tidwell and West Little York.
- Create parks along the Bayous. Buffalo Bayou, Greens Bayou, and several other small bayous drain the Eastern Sector. These drainage corridors provide an excellent opportunity to develop parks that would enhance the quality of life within the Eastern Sector community and the City at large. Although the Buffalo Bayou Plan already addresses some park and drainage issues, the introduction of similar plans along the other bayous would provide added aesthetics that attract development and improve the quality of life.
- Promote commercial retail development along North Wayside where it intersects with Mount Houston, Little York, Tidwell and Crosstimbers.
- Develop a commercial corridor along Broadway north of I-45 to simulate the Hobby Airport Enhancement Plan proposed along Broadway south of I-45 and the Hobby Airport vicinity. Creating such a corridor would improve north-south mobility and attract new development.
- Encourage industrial development along Liberty Road. Liberty Road runs along the Union Pacific rail line and still has extensive tracts of land available for industrial development. Although there is industrial development along this corridor, growth has been very slow. TIRZ and/or other incentives can be used to attract investment.
- Promote conversion of inactive landfills to golf courses or other recreational uses. The Eastern Sector has two inactive landfills and has a potential for additional inactive landfills in the future. Areas with golf courses serve as magnet for high value development and enhancement to the community quality of life.

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- Use urban design elements to create a visibly nautical theme along the Ship Channel. The significance of the Houston Ship Channel and the Port of Houston to the study area and the City cannot be overemphasized. Creating a nautical theme would help the community to recognize and appreciate the importance of the Port in the area.
 - Promote creation of small industrial parks with freeway access to encourage small neighborhood industries to relocate to areas more compatible with their use. Some of the Eastern Sector's major transportation corridors such as US 90, Liberty Road and I-10 W, have access to the freeways and can still absorb several industrial parks. Should the small industrial parks scattered over the area relocate along major transportation corridors, they would provide additional land for housing or commercial development.
 - Explore the possibility of using legal instruments available such as TIRZ, EZ and NEZ to encourage industrial development along strategic corridors such as Little York Road, North Wayside and US 90 Highway and protect adjacent residential areas from commercial and industrial encroachment. Creating such incentives would provide investment leverage to potential developers.
 - Encourage light industrial development southeast of Broadway and south of SH 225.
 - Create dedicated trucking routes to minimize negative impacts of trucking on neighborhoods. Designated routes would be improved to handle large and heavy vehicles. Major Thoroughfares such as Clinton Drive, Liberty Road, Harrisburg, Wayside, Navigation, Lyons Street, 610 Loop, I-10 W., US 90, Maxey Road and Market Street are used heavily by truck traffic to and from the port. Such a designation would improve general mobility, traffic safety and help to channel the limited road infrastructure funds where they are most needed.
 - Enhance roadways, underpasses and pedestrian walkways. Implement a streetscape improvement program similar to the \$2.7 million project funded largely by the Texas Department of Transportation in the entire Eastern Sector. Similar programs can be developed through Super-neighborhood Councils working in coordination with the City, County and State Department of Transportation.
 - Coordinate existing security measures with industry to improve and protect the infrastructure surrounding the Port. In 2003 The Port of Houston Authority received \$1.8 million from Congressional Appropriations for Port security. It also received an additional \$4.37 million from the Office of Domestic Preparedness. The Port is seeking another \$13 million for a cohesive security program that will include surveillance and protection of the infrastructure. Extending port security to the surrounding neighborhoods would improve the quality of life and enhance development.
 - Improve accessibility along key corridors and consider grade separation at major rail intersections. Building rail grade separations at major road intersections would improve mobility and minimize traffic gridlock.